

Ambulatory surgical center services: assessing payment adequacy and updating payments

ISSUE: In developing a payment update recommendation for ambulatory surgical center services for fiscal year 2005, we look at various indicators of payment adequacy and expected changes in ASC costs in the coming year.

KEY POINTS:

During this meeting, we will review our findings in the areas we use to assess payment adequacy:

- Beneficiaries' access to ambulatory surgical services is good.
- The capacity of ASCs to provide services has increased significantly over the last several years.
- The volume of services provided by ASCs to beneficiaries grew rapidly between 1998 and 2002, even in comparison to the growth of ambulatory surgical services in hospital outpatient departments.
- Several indicators suggest that ASCs' access to capital is good.

We will also discuss draft recommendations for revising the ASC payment system and the criteria used by CMS to decide what procedures to pay for in an ASC.

ACTION: We are seeking Commissioners' feedback on our payment adequacy assessment and draft update and other recommendations. The Commission will vote on recommendations at this meeting.

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